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# Services and Assets Committee

## OPEN MINUTES

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Minutes of a meeting of Services and Assets Committee held in the Council Chambers, 15 Forth Street, Invercargill on Wednesday, 27 September 2017 at 8.30am.

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### PRESENT

**Chairperson** Brian Dillon  
Mayor Gary Tong (8.55am – 9.52am)

**Councillors** Stuart Baird (9.20am – 9.52am)  
John Douglas  
Paul Duffy (8.34am – 9.52am)  
Bruce Ford  
Darren Frazer  
George Harpur  
Julie Keast  
Ebel Kremer (8.30am – 9.21am, 9.25am – 9.52am)  
Gavin Macpherson  
Neil Paterson

### IN ATTENDANCE

<b>Chief Executive Officer</b>	Steve Ruru
<b>Group Manager Services and Assets</b>	Ian Marshall
<b>Communications Manager</b>	Louise Pagan
<b>Governance and Democracy Manager</b>	Clare Sullivan
<b>Committee Advisor</b>	Fiona Dunlop

## 1 Apologies

Apologies for absence were been received from Councillor Perham and for lateness from Councillor Baird and Mayor Tong.

### Resolution

Moved Cr Keast, seconded Cr Macpherson **and resolved:**

**That the Services and Assets Committee accept the apologies.**

## 2 Leave of absence

There were no requests for leave of absence.

## 3 Conflict of Interest

There were no conflicts of interest declared.

## 4 Public Forum

There was no public forum.

## 5 Extraordinary/Urgent Items

There were no Extraordinary/Urgent items.

## 6 Confirmation of Minutes

### Resolution

Moved Cr Harpur, seconded Cr Douglas **and resolved:**

**THAT the Services and Assets Committee confirms the minutes of the meeting, held on 9 August 2017 as a true and correct record of that meeting.**

## Reports for Resolution

### 7.1 Southland District Council Pavement Marking Tender Award

**Record No: R/17/9/21650**

Group Manager, Services and Assets – Ian Marshall, Strategic Manager Transport – Hartley Hare and Commercial Lead Roading – Dylan Rabbidge were in attendance for this item.

Mr Hare advised that the purpose of the report was to outline the tenders received for the 2017-2020 Southland District Council Pavement Marking Services and seeks approval from the Services and Assets Committee to award Contract 17/30 (Eastern Area) and Contract 17/31 (Western Area) to the recommended tenderers.

The Meeting noted that the report covers the tendering outcome for the pavement marking of urban and rural roads across the Southland District Council network.

Mr Hare further advised that each contract is for a period of 3 years with a possible further 2 years (1+1) extension. This is subject to satisfactory completion and performance of the first 3 years of work.

The Meeting further noted that the extent of marking to be done each year will be confirmed by Southland District Council by 30 September each year but it is anticipated that all markings will be re-marked in years 1 and 3 and approximately 50% will be remarked in year 2.

(Councillor Duffy joined the meeting at 8.34am.)

#### **Resolution**

Moved Cr Douglas, seconded Cr Paterson and resolved:

**That the Services and Assets Committee:**

- a) **Receives the report titled “Southland District Council Pavement Marking Tender Award” dated 20 September 2017.**
- b) **Determines that this matter or decision be recognised as not significant in terms of Section 76 of the Local Government Act 2002.**
- c) **Determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the Act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.**
- d) **Accept the Downer tender price of \$972,427.84 plus GST for Contract 17/30 Eastern Area Pavement Marking.**
- e) **Accept the Downer tender price \$1,108,314.14 plus GST for Contract 17/31 Western Area Pavement Marking.**

## **7.2 District Wide LED Replacement - Unbudgeted Expenditure and Tender Award**

**Record No: R/17/9/21792**

Group Manager, Services and Assets – Ian Marshall, Strategic Manager Transport – Hartley Hare and Commercial Lead Roading – Dylan Rabbidge were in attendance for this item.

Mr Rabbidge advised that the purpose of the report was to seek approval from the Committee to proceed with the accelerated LED streetlighting replacement programme across the Southland District Council network, along with the award of Contract 17/45 – Southland Streetlight LED Upgrade 2017/18 for the physical installation works.

The Meeting noted that a report was presented to Services and Assets on 9 August 2017 seeking approval to proceed with the procurement of physical works and accelerated purchase of LED streetlights. This report covers the tenders received, the evaluation carried out and recommendations for awarding the contract.

### Resolution

Moved Cr Kremer, seconded Cr Macpherson **recommendations a to c, d with an addition (as indicated) and e.**

**That the Services and Assets Committee:**

- a) **Receives the report titled “District Wide LED Replacement - Unbudgeted Expenditure and Tender Award” dated 20 September 2017.**
- b) **Determines that this matter or decision be recognised as not significant in terms of Section 76 of the Local Government Act 2002.**
- c) **Determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the Act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.**
- d) **Approve the unbudgeted expenditure of \$1.2M (SDC Portion \$180k) for the accelerated upgrade programme for LED streetlights to maximise NZTA funding assistance for this activity (85% vs 52%) subject to NZTA approval of the 85% financial assistance rate funding.**
- e) **Accept the tender from Network Electrical Servicing for the installation of the LED lights to the value of \$576,233.05 plus GST.**

### 7.3 Clifden Blackmount Road Seal Widening

**Record No: R/17/9/21845**

Group Manager, Services and Assets – Ian Marshall, Strategic Manager Transport – Hartley Hare and Commercial Lead Roading – Dylan Rabbidge were in attendance for this item.

Mr Hare advised that the report outlined the tenders received for Contract 17/35 – Clifden Blackmount Road Seal Widening and seeks approval from the Committee to award Contract 17/35 to the recommended tenderer.

The Meeting noted that the report covered the tendering outcome for the seal widening of 2,300 metres of Clifden Blackmount Road from RP 3684 to RP 5985.

(Mayor Tong joined the meeting at 8.55am.)

### Resolution

Moved Cr Harpur, seconded Cr Kremer **and resolved:**

**That the Services and Assets Committee:**

- a) **Receives the report titled “Clifden Blackmount Road Seal Widening” dated 20 September 2017.**
- b) **Determines that this matter or decision be recognised as not significant in terms of Section 76 of the Local Government Act 2002.**
- c) **Determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the Act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.**
- d) **Accept The Roothing Company’s tender price of \$253,900.00 plus GST.**

## 7.4 Structural Engineering Services for Transport

**Record No: R/17/9/21859**

Group Manager, Services and Assets – Ian Marshall, Strategic Manager Transport – Hartley Hare and Commercial Lead Roothing – Dylan Rabbidge were in attendance for this item.

Mr Hare advised that the purpose of the report was to advise the Committee of the outcome of the tender evaluation process for the Structural Engineering Services for Transport Tenders, Contract No. 17/29.

The Meeting noted that the current contract for the provision of Professional Services for Roothing, Contract 12/03 expires on 30 September 2017. The incumbent is Stantec (formerly MWH Global).

Mr Hare further advised that tenders were called in July 2017 and closed on 2 August 2017 for a three-year initial term with two possible extensions of one year each subject to performance and Council’s discretion. Three bona fide tenders were received, from Calibre Consultants, Opus and from Stantec.

The Meeting further noted that then tender proposals have been evaluated in accordance with Council’s Procurement Policy and the provisions of the Request for Tenders. This report presents the outcome of the evaluations and seeks Council approval to award the contract to the preferred tenderer.

Mr Hare also advised that Stantec submitted a conforming tender and an alternative tender. In consideration of all conforming tenders Stantec was the highest ranked tenderer when it's extremely competitive price was taken in to account. Stantec's alternative tender offered a lower price for the Primary Services but was considered by the Evaluation Team as deficient in meeting the requirements of the contract and is not recommended.

### **Resolution**

Moved Cr Ford, seconded Cr Keast **and resolved:**

**That the Services and Assets Committee:**

- a) **Receives the report titled "Structural Engineering Services for Transport" dated 19 September 2017.**
- b) **Determines that this matter or decision be recognised as not significant in terms of Section 76 of the Local Government Act 2002.**
- c) **Determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the Act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.**
- d) **Notes the outcome of the tender evaluation process**
- e) **Awards Contract 17/29 for Structural Engineering Services for Transport Services to Stantec for the sum of \$765,000.**
- f) **Authorise the Group Manger Services and Assets to formally notify Tenderers of the outcome and to execute the Contract documents.**

## **7.5 Milford Crescent Minor Improvement**

**Record No: R/17/9/22406**

Group Manager, Services and Assets – Ian Marshall, Strategic Manager Transport – Hartley Hare and Commercial Lead Roading – Dylan Rabbidge were in attendance for this item.

Mr Hare advised that the report outlined the outcome of the proposed improvement works at Milford Crescent in Te Anau including the outcome from the Te Anau Community Board consultation.

The Meeting noted that the Council are proposing to carry out some minor improvements on Milford Crescent in Te Anau to improve the safety and performance of this road. These improvements also tie-in with the Wong Way development.

Mr Hare also advised that the report outlined the issues along with the proposed interventions along with a recommendation from the Te Anau Community Board

(Councillor Baird joined the meeting at 9.20am.)

### Resolution

Moved Cr Kremer, seconded Cr Duffy **and resolved:**

**That the Services and Assets Committee:**

- a) **Receives the report titled “Milford Crescent Minor Improvement” dated 21 September 2017.**
- b) **Determines that this matter or decision be recognised as not significant in terms of Section 76 of the Local Government Act 2002.**
- c) **Determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the Act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.**
- d) **Notes that the original staff recommendation was to relocate the pedestrian crossing on Milford Crescent at The Lane so that it was in the area of the existing entry/exit from the supermarket.**
- e) **Endorse the recommendation from the Te Anau Community Board meeting to carry out the minor safety works but not to relocate the pedestrian crossing on Milford Crescent at The Lane.**
- f) **Endorse that a review of the Pedestrian crossing on Milford Crescent at The Lane be carried out within the next 12 months and the outcome of that assessment be reported back the Committee including usage.**

(Councillor Kremer left the meeting at 9.21am.)

## 7.6 Contract 17/25 Waterford Drive Watermain Renewal

**Record No: R/17/9/21135**

Group Manager, Services and Assets – Ian Marshall and Operations/Project Engineer, Water and Waste Services – Matt Keil were in attendance for this item.

Mr Keil advised that the purpose of the report was to recommend the award of a contract and commence the programmed watermain renewal within Waterford Drive and the surrounding area in Winton, as programmed to occur within the current 2017/2018 Annual Plan.

The Meeting noted that the report outlined the proposal to undertake a watermain renewal within the Waterford Drive Winton reticulation catchment, Winton, including the renewal of all associated service laterals, rider mains and fixtures, and the installation of a new distribution main between the Winton Water Treatment Plant and 274 Great North Road.



(Councillor Kremer returned to the meeting at 9.25am.)

### Resolution

Moved Cr Paterson, seconded Cr Frazer **and resolved:**

**That the Services and Assets Committee:**

- a) **Receives the report titled “Contract 17/25 Waterford Drive Watermain Renewal” dated 20 September 2017.**
- b) **Determines that this matter or decision be recognised not significant in terms of Section 76 of the Local Government Act 2002.**
- c) **Determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the Act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.**
- d) **Approves the Waterford Drive and Railway Street Watermain Renewal projects to proceed for a total amount of \$1,323,226.60 ex GST.**
- e) **Approves the award of Contract 17/25 ‘Waterford Drive Watermain Renewal’ to Fulton Hogan for the tendered sum of \$818,746.60, including a total contingency of \$80,000.00.**
- f) **Approves the expenditure for the proposed ‘Railway Street Watermain Installation’ consisting of 358 lineal/metres of a renewed new potable distribution main/s between the Winton Water Treatment Plant, 274 Great North Road and 252 Great North Road to 20 Wemyss Street.**
- g) **Delegates authority to Council’s ‘Group Manager-Services and Assets’ to award a variation to Contract 17/25 for ‘Railway Street Watermain Installation’ subject to recommendations d) and f).**

### Reports

#### 8.1 Forestry Operations - Financial Report to 30 June 2017

**Record No: R/17/9/21955**

Group Manager, Services and Assets – Ian Marshall was in attendance for this item.

Mr Marshall advised that the purpose of the report was to update the Committee on the Forestry Operations Financial Report to 30 June 2017.

The Meeting noted that the forestry business has had another high performing year, with a consolidated net surplus, before forest revaluation, of \$3.1M. This result is \$2.3M favourable to budget. Additional to this is a gain in forest estate valuation of \$0.8M and a loss on ETUs of \$0.08M, which brings the net surplus after revaluation to \$3.8M.



### Resolution

Moved Cr Keast, seconded Cr Douglas **and resolved:**

**That the Services and Assets Committee:**

- a) **Receives the report titled “Forestry Operations - Financial Report to 30 June 2017” dated 20 September 2017.**

## 8.2 Services and Assets Contracts Update

**Record No: R/17/9/21747**

Group Manager, Services and Assets – Ian Marshall was in attendance for this item.

Mr Marshall advised that the purpose of the report was to update the Committee on the Services and Assets Contract Management tracking of Roothing, Water and Waste and Property Divisions operations and capex contracts.

The Meeting noted that this report is reporting on the status of the Community Services contracts and that the Water and Waste and Roothing opex and capex contracts are reported through their respective operations reports.

### Resolution

Moved Cr Ford, seconded Cr Paterson **and resolved:**

**That the Services and Assets Committee:**

- a) **Receives the report titled “Services and Assets Contracts Update” dated 15 September 2017.**

## 8.3 Roothing Operations August 2017

**Record No: R/17/9/21794**

Group Manager, Services and Assets – Ian Marshall, Strategic Manager Transport – Hartley Hare and Commercial Lead Roothing – Dylan Rabbidge were in attendance for this item.

Mr Rabbidge advised that the purpose of the report was to update the Committee on the progress of the major rooothing maintenance contracts.

The Meeting noted that SouthRoads currently have the Waimea and Central Alliance maintenance contracts with Fulton Hogan having the Foveaux Alliance. These contracts began in July 2017 with all three currently on an Interim Project Alliance Agreement and it is expected that they will move to a Project Alliance Agreement in early October 2017.

### Resolution

Moved Cr Kremer, seconded Cr Harpur **and resolved:**

**That the Services and Assets Committee:**

- a) **Receives the report titled “Roothing Operations August 2017” dated 20 September 2017.**

The meeting concluded at 9.52am.

CONFIRMED AS A TRUE AND CORRECT  
RECORD AT A MEETING OF THE SERVICES  
AND ASSETS COMMITTEE HELD ON  
WEDNESDAY 27 SEPTEMBER 2017.

**DATE:**.....

**CHAIRPERSON:**.....